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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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FORM 10-Q

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For the Three Months Ended
March 31, 1992

0-10683
(Commission File Number)

HYDROMER, INC.

(Exact name of registrant as specified in its charter)

New Jersey	22-2303576
(State or other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
P. O. Box 337 Whitehouse, N.J.	08888
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (908) 534-9034

Indicate by check mark whether the registrant (1) has filed all Commission reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or of such shorter periods that the registrant is required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. YES X NO___

Indicate the number of shares outstanding or each of the issuer's classes of Common Stock as of the close of the period covered by this report.

Class	Outstanding at March 31, 1992
Common Stock	4,367,987

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HYDROMER, INC.

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MARCH 31, 1992

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PART I

HYDROMER, INC.

BALANCE SHEETS

ASSETS	March 31, 1992 (Unaudited)	June 30, 1991 (Audited)
Current assets:		
Cash and cash equivalents	$ 748,910	$ 460,936
Marketable securities	94,000	50,000
Trade receivables	212,181	142,985
Inventory	28,879	18,838
Prepaid expenses and other	28,085	16,381
Total current assets	1,112,055	689,140
Property and equipment (net)	78,641	45,663
Other	5,650	11,370
	$ 1,196,346	$ 746,173
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 23,912	$ 29,732
Accrued liabilities:		
Salaries, wages, bonuses	7,520	14,062
Total current liabilities	31,432	43,794
Shareholders' equity:		
Common Stock - without par value, authorized 6,000,000 shares, issued and outstanding 4,367,987 and 4,378,904	2,922,708	2,922,708
Contributed capital	577,150	575,350
Accumulated deficit	(2,328,804)	(2,789,539)
Treasury stock	(6,140)	(6,140)
Total shareholders' equity	1,164,914	702,379
	$ 1,196,346	$ 746,173

See accompanying notes to consolidated financial statements.

HYDROMER, INC.

STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	1992	1991	1992	1991
Revenues				
Products and services	$ 94,173	$ 64,939	$ 269,614	$ 170,444
Royalties and options	240,392	102,554	837,017	287,473
	334,535	167,493	1,106,631	457,917
Cost of sales	35,697	25,308	102,771	69,907
Gross profit	298,838	142,185	1,003,860	388,010
Operating expenses:				
Selling, general and administrative	129,128	70,450	409,933	254,436
Research and development	63,280	41,247	155,738	142,876
	192,408	111,697	565,671	397,312
Operating income (loss)	106,430	30,488	438,189	(9,302)
Interest income	7,602	6,537	22,545	18,532
Income before taxes	114,032	37,025	460,734	9,230
Income taxes	--	--	--	--
Net income	$ 114,032	$ 37,025	460,734	$ 9,230
Weighted average shares outstanding (including dilutive stock options)	4,377,320	4,378,904	4,377,320	4,378,904
Net income per share	$ 0.03	$ 0.01	$ 0.11	$ 0.00
Dividends per share	$ 0.00	$ 0.00	$ 0.00	$ 0.00

See accompanying notes to consolidated financial statements.

HYDROMER, INC.

STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended March 31,	
	1992	1991
Cash flows from operating activities:		
Net income	$460,734	$ 9,230
Adjustment to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	12,738	15,205
Changes in assets and liabilities:		
Accounts receivable	(69,196)	(20,326)
Inventories	(10,041)	716
Prepaid expenses	(11,704)	(25,343)
Other assets	5,720	--
Accounts payable and accrued liabilities	(12,362)	(62,507)
Net cash gained from (used in) operating activities	375,889	(83,025)
Cash flows from investing activities:		
Additions to property and equipment	(45,716)	(7,092)
Investment in marketable securities	(191,000)	--
Sale of marketable securities	147,000	--
Cash flows from financing activities:		
Contributed capital-option extension payment	1,800	--
Net increase (decrease) in cash and equivalents	287,974	(90,117)
Cash and cash equivalents at beginning of year	460,936	461,207
Cash and cash equivalents at end of quarter	$748,910	$371,090

There were no payments for interest or taxes during the quarter ending March 31, 1992 and 1991.

See accompanying notes to consolidated financial statements.

HYDROMER, INC.

Notes to Consolidated Financial Statements

In the opinion of management, the accompanying unaudited financial statements include all adjustments (consisting of only normal adjustments) necessary for a fair presentation of the results for the interim periods. No provision has been made for federal income taxes because of the availability of loss carryforwards from prior fiscal years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

For the quarter ending March 31, 1992, the Company reported revenues of $334,595 as opposed to $167,493 of revenues recorded in the same quarter of the previous fiscal year. The $167,342, or 100%, increase was attributable to increased product sales and increased recorded royalties. The net income for the quarter of $114,032, or $0.03 per share, was $77,007, or 208%, greater than the $37,025, or $0.01 per share, reported in the prior fiscal year.

For the nine month period ending March 31, 1992, the Company's revenues of $1,106,631, were $648,714, or 142%, greater than the $457,917 of revenues recorded during the same period in the prior fiscal year. The net income of $460,734, or $0.11 per share, was 49 times greater than the $9,230, or less than one cent per share, reported in the prior fiscal year. The increase in revenues and net income was due to increased product sales as well as increased recorded royalties and licensing fees.

As a percentage of the sales of products and services, cost of sales dropped by 1% from 39% to 38%. Cost of sales were $35,697 for the quarter ending March 31, 1992, as compared with $25,308 for the same quarter in the previous fiscal year. For the the nine months ending March 31, 1992, cost of sales were $102,771, as compared to $69,907 reported in the previous fiscal year. As a percentage of the sales of products and services, cost of sales dropped by 2% from 41% to 38%.

Operating expenses were $192,408, or 58% of revenues, for the quarter as compared to $111,697, or 67% of revenues, for the same quarter in the prior fiscal year. Operating expenses for the nine months were $565,671, or 51% of revenues, as compared to $397,312, or 87% of revenues, for the nine months ended March 31, 1991. The 72% and 42% dollar increase in expenses was outweighed by the much greater increase in revenues.

Financial Condition

Working capital was $1,080,623 at March 31, 1992 as compared to $702,379 at June 30, 1991. The $378,244 increase is primarily due to the profit recorded for the period. Cash and cash equivalents were $748,910 at March 31, 1992 and $460,936 at June 30, 1991. The Company believes that future revenues will provide a sufficient cash flow to maintain operations at the current level.

PART II - Other Information

Item 6. Exhibits and Reports on Form 8-K:

a) Exhibits - none

b) Reports on Form 8-K - There were no reports on Form 8-K filed for the quarter ending March 31, 1992

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on his behalf by the undersigned thereunto duly authorized.

HYDROMER, INC.

J. David Schmidt, II
Vice President
Finance & Administration
Principal Financial Officer

Date: 4/30/92